AMENDED IN SENATE MAY 26, 2006
AMENDED IN SENATE MAY 23, 2006
AMENDED IN SENATE APRIL 25, 2006
AMENDED IN SENATE APRIL 17, 2006
AMENDED IN SENATE MARCH 27, 2006

SENATE BILL

No. 1511

## **Introduced by Senator Ducheny**

February 23, 2006

An act to add Section 43013.4 to the Health and Safety Code, relating to vehicular air pollution, and declaring the urgency thereof, to take effect immediately.

## LEGISLATIVE COUNSEL'S DIGEST

SB 1511, as amended, Ducheny. Renewable fuels: regulations.

Existing law imposes various limitations on emissions of air contaminants for the control of air pollution from vehicular and nonvehicular sources. Existing law generally designates the State Air Resources Board as the state agency with the primary responsibility for the control of vehicular air pollution. Existing law permits the state board to adopt and implement motor vehicle emission standards, in-use performance standards, and motor vehicle fuel specifications for the control of air contaminants and sources of air pollution that the state board has found to be necessary, cost effective, and technologically feasible, as provided.

This bill would require the state board, as a part of the California Phase 3 Reformulated Gasoline regulations update to be concluded by July 1, 2007, to amend existing California cleaner burning gasoline

SB 1511 -2-

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regulations, as defined, to maximize the flexibility to use renewable fuels in the California transportation fuel market, as specified.

This bill would declare that it is to take effect immediately as an urgency statute.

Vote: <sup>2</sup>/<sub>3</sub>-majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. The Legislature finds and declares all of the 2 following:
  - (a) Renewable fuels have the potential to strengthen California's economy by providing job growth and tax revenue and by reducing the state's vulnerability to petroleum price volatility by adding critically needed domestic fuel supply.
- 7 (b) The State Energy Resources Conservation and 8 Development Commission and the State Air Resources Board 9 recommended in their August 2003 report, "Reducing 10 California's Petroleum Dependency," that the state adopt the goal 11 of increasing the use of nonpetroleum fuel to 20 percent of 12 onroad fuel consumption by the year 2020 and 30 percent by the year 2030.
  - (c) The Governor has established targets to reduce greenhouse gas emissions to 2000 levels by 2010, to 1990 levels by 2020, and to 80 percent below 1990 levels by 2050.
  - (d) Renewable fuels are an immediately viable strategy to reduce greenhouse gas emissions in the transportation sector, which is California's largest source of carbon dioxide emissions.
  - (e) The use of renewable fuels in California must maintain or improve the air quality and emission benefits achieved by current law.
  - (f) Current California Phase 3 Reformulated Gasoline regulations are calibrated to provide flexibility for the use of reduced oxygen or nonoxygenated fuels to expedite the phaseout of the gasoline additive methyl tertiary-butyl ether (MTBE).
    - (g) The MTBE phaseout concluded on December 31, 2003.
  - (h) The State Air Resources Board updates the California reformulated gasoline regulations approximately every five years, and the most recent update, already underway, will be completed by 2007.

-3- SB 1511

SEC. 2. Section 43013.4 is added to the Health and Safety Code, to read:

- 43013.4. (a) For purposes of this section, the following definitions shall apply:
- (1) "California cleaner burning gasoline regulations" means all current and future California gasoline regulations adopted and enforced by the state board for the purpose of controlling vehicle or fuel emissions or fuel content, including the California Phase 3 Reformulated Gasoline (CaRFG3) program specifications and the CaRFG3 Predictive Model.
- (2) "Certified California base gasoline" means any California reformulated gasoline blendstock for oxygen blending (CARBOB) certified for use in California, by the state board under the California cleaner burning gasoline program.
- (3) "Fuel control parameter" means the fuel-content limits and caps on specific fuel blend properties adopted and enforced by the state board under the California cleaner burning gasoline program.
- (2)"Complying California gasoline blendstock" means any California reformulated gasoline blendstock for oxygen blending (CARBOB) meeting the state board's requirements under the California cleaner burning gasoline program.
- (b) Notwithstanding subdivision (b) of Section 43013.1, as a part of the California Phase 3 Reformulated Gasoline regulations update to be concluded by July 1, 2007, the state board shall amend existing California cleaner burning gasoline regulations to maximize the flexibility to use renewable fuels in the California transportation fuel market-
- (c) The state board shall ensure and satisfy the requirements of subdivision (c) only if the state board determines that the amended California cleaner burning gasoline regulations do all of the following, but only if the amended regulations are consistent with Section 43013 and maintain or improve upon the emissions reductions and air quality benefits achieved by the California Phase 2 Reformulated Gasoline program as of January 1, 1999, including emissions reductions for all pollutants and precursors identified in the State Implementation Plan for ozone, and emissions of potency weighted toxics compounds and particulate matter:

SB 1511 —4—

(1) Establish fuel control parameters that provide transportation fuel refiners and marketers with maximum flexibility to use renewable fuels, in varying percentages above current levels on a year-round basis, with any certified California base gasoline, in order to, among other purposes, maximize the use of renewable fuels within current vehicle manufacturer warranties. matter.

- (c) Except as otherwise provided in subdivision (b), the state board shall do all of the following:
- (1) Provide transportation fuel refiners and marketers with maximum flexibility to use renewable fuels, in varying percentages with any complying California gasoline blendstocks, which may include the potential use of renewable fuel blends on a year-round basis within current vehicle manufacturer warranties.
- (2) Maximize flexibility for the use of renewable fuels in the design of the analysis used to amend the California cleaner burning gasoline regulations.
- (3) Take into account, to the maximum degree feasible, both onroad and off-road emissions impacts in order to provide the most accurate understanding of the emissions and air quality impacts of California reformulated gasoline and renewable fuel blends.
- SEC. 3. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to help ensure, at the earliest possible time, that the State Air Resources Board is able to adopt regulations to maximize the use of renewable fuels, and thereby protect public health and safety, it is necessary that this act take effect immediately.